

Atlantic/GTE has deployed xDSL. The report shall be submitted 180 days after the Merger Closing Date and on a quarterly basis thereafter.

## ENSURING OPEN LOCAL MARKETS

### **VH V. Carrier-to-Carrier Performance Plan (Including Performance Measurements)**

~~23.~~ 16. In the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall implement the Carrier-to-Carrier Performance Assurance Plan (“the Plan”) described herein and in Attachment A. The Plan has two elements. First, it requires ~~SBC/Ameritech~~ Bell Atlantic/GTE to report, on a monthly basis and in each of the ~~SBC/Ameritech~~ Bell Atlantic/GTE States, its performance in ~~20~~ the 17 measurement categories (with sub-measurements) identified in Attachments A-1a and A-1b that address functions that may have a particularly direct effect on ~~SBC/Ameritech’s~~ Bell Atlantic/GTE’s local competitors and their customers. This information will be made available on an Internet ~~website~~ web-site and will provide the Commission, state commissions, and CLECs new tools to verify and benchmark ~~SBC/Ameritech’s~~ Bell Atlantic/GTE’s performance in these measurement and ~~submeasurement~~ sub-measurement categories. Second, the Plan obligates ~~SBC/Ameritech~~ Bell Atlantic/GTE to make voluntary payments of up to ~~\$1.125~~ \$1.164 billion over 3 years to the U.S. Treasury based on ~~SBC/Ameritech’s~~ Bell Atlantic/GTE’s performance in the ~~20~~ measurement categories identified in Attachments A-1a and A-1b. These payments may reach as much as ~~\$250~~ \$259 million in the first year, ~~\$375~~ \$389 million in the second year, and ~~\$500~~ \$516 million in the third year. The ~~\$1.125~~ \$1.164 billion total voluntary payment for which ~~SBC/Ameritech~~ Bell Atlantic/GTE may be liable may be reduced by up to \$125 million if ~~SBC/Ameritech~~ Bell Atlantic/GTE completes the OSS commitments provided for in these Conditions ahead of schedule. See Attachment A, Paragraph 11. The Plan does not limit the authority of any state to adopt additional or different state performance monitoring requirements or associated remedies.

~~24~~ 17. The Plan shall be effective for the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area within each ~~SBC/Ameritech~~ Bell Atlantic/GTE State, ~~except for Connecticut,~~ until the earlier of (i) 36 months after the date that ~~SBC/Ameritech~~ Bell Atlantic/GTE is first potentially obligated to make Plan payments for that state, or (ii) (ii) for the Bell Atlantic Service Areas on a state-by-state basis, the first date on which ~~SBC/Ameritech~~ Bell Atlantic is authorized to provide in-region, interLATA services in that state pursuant to 47 U.S.C. § 271(d)(3). ~~The Plan shall be effective for the SBC/Ameritech Service Area within Connecticut for 36 months after the date that SBC/Ameritech is first potentially obligated to make Plan payments in Connecticut, or (iii) on a state-by-state basis, the effective date of a comprehensive performance plan adopted by a state commission applicable to Bell Atlantic/GTE.~~ Not later than 10 business days after the relevant deadlines under this Section VII, ~~SBC/Ameritech~~ V. Bell Atlantic/GTE shall file with the Secretary of the Commission notices regarding its satisfaction of the deadlines listed below.

a. In the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area within ~~Arkansas, Kansas, Missouri, Oklahoma, and Texas,~~ Bell Atlantic/GTE shall implement the performance measurements shown on Attachments A-2a and A-5a, (which are

based on the performance plan adopted by the New York Public Service Commission in connection with Bell Atlantic's Section 271 proceeding) and provide the Commission with 2 months of performance data on these measurements, by November 1, 1999. ~~For the SBC/Ameritech Service Area within California and Nevada, SBC/Ameritech shall implement the performance measurements, using the California business rules shown in Attachments A-2b and A-5b, and provide 2 months of performance data on these measurements, by the first day of the first month that begins more than 30 90 days after the Merger Closing Date. Beginning with the first month that starts at least 270 days after the Merger Closing Date, SBC/Ameritech's Bell Atlantic/GTE's performance shall be used to determine whether SBC/Ameritech Bell Atlantic/GTE shall be obligated to make voluntary payments to the U.S. Treasury, as set forth in the Plan. SBC/Ameritech's Bell Atlantic/GTE's performance in prior months shall not be used to determine whether SBC/Ameritech Bell Atlantic/GTE shall make voluntary payments.~~

b. ~~In the SBC/Ameritech Service Area within Connecticut, SBC/Ameritech For the GTE Service Areas, Bell Atlantic/GTE shall implement the performance measurements shown on Attachments A-2a and A-5a, in Attachments A-2b and A-5b (which are based on the California Public Utilities Commission's performance plan applicable to GTE) and provide 2 months of performance data no later than 12 months on these measurements, by the first day of the first month that begins more than 90 days after the Merger Closing Date. Beginning with the first month that starts at least 15 months, except for performance measurements PR-3 and NP-2 which shall be implemented no later than 150 days after the Merger Closing Date, SBC/Ameritech's. Beginning with the first month that starts at least 270 days after the Merger Closing Date, Bell Atlantic/GTE's performance shall be used to determine whether SBC/Ameritech Bell Atlantic/GTE shall be obligated to make voluntary payments to the U.S. Treasury, as set forth in the Plan. SBC/Ameritech's Bell Atlantic/GTE's performance in prior months shall not be used to determine whether SBC/Ameritech Bell Atlantic/GTE shall make voluntary payments.~~

~~When implementing the performance measurement business rules in Attachment A-2a within Connecticut, SBC/Ameritech shall substitute 'SNET' for 'SWBT.'~~

## VI. Uniform and Enhanced OSS and Advanced Services OSS

e. ~~In the SBC/Ameritech Service Area within the Ameritech States, SBC/Ameritech shall implement performance measurements 2, 4 5, 10 13, 15, and 17 19 as shown on Attachments A-2a and A-5a, and provide 2 months of performance data on these measurements, no later than 18.~~

Within 90 days after the Merger Closing Date, Bell Atlantic/GTE will develop a plan to implement. ~~In the SBC/Ameritech Service Area within the Ameritech States, SBC/Ameritech shall implement performance measurements 1, 3, 6 9, 14, 16, and 20, as shown on Attachments A-2a and A-5a, and provide 2 months of performance data on these measurements, no later than 150 days after the Merger Closing Date. Beginning with the first month that starts at least 270 days after the Merger Closing Date, SBC/Ameritech's performance shall be used to determine whether SBC/Ameritech shall be obligated to make voluntary payments to the U.S. Treasury, as set forth in the Plan. SBC/Ameritech's performance in prior months shall not be used to determine whether SBC/Ameritech shall make voluntary payments. When implementing the~~

performance measurement business rules in Attachment A 2a within the Ameritech States, SBC/Ameritech shall substitute 'Illinois Bell Telephone Company,' 'Indiana Bell Telephone Company,' 'Michigan Bell Telephone Company,' 'The Ohio Bell Telephone Company,' or 'Wisconsin Bell, Inc.,' as appropriate, for 'SWBT.'"

#### VIII. Uniform and Enhanced OSS

25. SBC/Ameritech will develop and deploy uniform, electronic OSS interfaces and business rules (including for pre-ordering and ordering components used to provide digital subscriber line ("xDSL") and other Advanced Services) within the Bell Atlantic Service Areas and separately within the GTE Service Areas. This plan shall also address how Bell Atlantic/GTE will implement uniform transport and security protocols, but not business rules, across the merged Bell Atlantic/GTE Service Areas. The OSS interfaces proposed in the plan shall be throughout the 13 State SBC/Ameritech Service Area. No later than the Merger Closing Date, SBC/Ameritech shall provide the Commission an OSS Process Improvement Plan identifying and assessing SBC's and Ameritech's existing OSS and generally identifying the OSS changes that are needed to implement SBC/Ameritech's OSS commitments identified in this Section. The commitments in this Section are intended to facilitate local services competition (including local Advanced Services competition) in the SBC/Ameritech Service Area by providing entrants additional and more economical options for accessing SBC/Ameritech's OSS on a non-discriminatory basis as compared to SBC/Ameritech's retail operations, and by encouraging constructive participation by local entrants in the development of SBC/Ameritech systems used by those local entrants.

26. Within 24 months after the Merger Closing Date (assuming the duration of Phase 2 described in Paragraph 28 below is no longer than 30 days), SBC/Ameritech shall develop and deploy in the SBC/Ameritech Service Area, except for the SBC/Ameritech Service Area within Connecticut, commercially ready, uniform application-to-application interfaces using standards and guidelines as defined, adopted, and periodically updated by the Alliance For Telecommunications Industry Solutions ("ATIS") for OSS, e.g., Electronic Data Interchange ("EDI") and Electronic Bonding Interface ("EBI") Common Object Request Broker Architecture ("CORBA") and graphical user interfaces (e.g. GUI Version 3 and WISE Phase 1) that support the pre-ordering, ordering, provisioning, maintenance/repair, and billing of resold local services; and unbundled network elements ("UNEs") that meet the requirements of 47 U.S.C. § 251(c)(3); and UNEs or UNE combinations that are required by this Appendix. SBC/Ameritech shall deploy these same interfaces in the SBC/Ameritech Service Area within Connecticut within 30 months of. For purposes of these Conditions, "uniform interfaces" means interfaces that present telecommunications carriers that are users of the interfaces with the same version(s) of industry standards for data formatting specifications, and transport and security protocols.

19. a. The Plan shall include an assessment of Bell Atlantic's and GTE's existing interfaces and business rules, and Bell Atlantic's and GTE's plans for developing and deploying uniform application-to-application interfaces and business rules for OSS within the Bell Atlantic Service Areas and separately within the GTE Service Areas. The Plan will also report on existing commitments related to interfaces and business rules, including any outstanding scheduled changes, resulting from collaborative proceedings conducted with CLECs as part of

the Petition of New York Telephone Company for Approval of its Statement of Generally Available Terms and Conditions Pursuant to Section 252 of the Telecommunications Act of 1996 and Draft Filing of Petition for InterLATA Entry Pursuant to Section 271 of the Telecommunications Act of 1996, Case 97-C-0271 proceeding before the New York Public Service Commission ("New York Proceeding"), the Commission Order Instituting Rulemaking, on the Commission's Own Motion into Monitoring Performance of Operating Systems, R.97-10-016 proceeding before the California Public Utilities Commission ("California Proceeding"), Status of Local Telephone Competition, Docket TX98010010, NJBPU, and the proceedings conducted in accordance with MCI WorldCom, Inc. and AT&T Corp. v. Bell Atlantic Corporation, File No. EAD 99-003 ("FCC Proceeding"). For those OSS interfaces and business rule changes for which collaborative proceedings have been conducted, these changes will be implemented under the schedules adopted in these proceedings. In addition, the Plan will specify OSS interface or business rule uniformity issues for the Bell Atlantic Service Areas and separately for the GTE Service Areas which Bell Atlantic and GTE determine have not been addressed in these collaborative proceedings. For these issues, the Plan will specify the type of collaborative process and schedule that will be used to address these issues. The target date for completion of the Plan is 90 days after the Merger Closing Date (assuming the duration of Phase 2 described in Paragraph 28 below is no longer than 30 days).

b. Where the Plan specifies a collaborative process to address OSS interface or business rule uniformity issues within the Bell Atlantic Service Areas or separately within the GTE Services Areas, the collaborative process selected will be based on the processes conducted in the New York, New Jersey, California, or FCC Proceedings, or included in the SBC/Ameritech Conditions in Applications of Ameritech Corp., Transferor, and SBC Communications Inc., Transferee, For Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95 and 101 of the Commission's Rules, CC Docket No. 98-141 (rel. Oct. 8, 1999). The target date for completion of any necessary collaboratives is 90 days after submission of the Plan.

c. The Plan will also include Bell Atlantic/GTE's plans for developing and deploying uniform transport and security protocols, but not business rules, across the merged Bell Atlantic/GTE Service Areas. For purposes of these Conditions, "uniform interfaces" means interfaces that present transport and security protocols" means that telecommunications carriers that are users of the interfaces will be presented with the same version(s) of industry standards, data formatting specifications, and for transport and security specifications. It is understood that telecommunications carriers will be able to use the same uniform interface(s) throughout the SBC/Ameritech Service Area only after SBC/Ameritech completes development and deployment of a software solution or uniform business rules consistent with Paragraph 31. protocols, but not data format specifications. Nothing in this subparagraph or in this Section shall be construed to require that OSS business rules be uniform between the Bell Atlantic Service Areas and the GTE Service Areas.

27. Within 24 months d. The Plan will also include Bell Atlantic/GTE's plans for developing and providing to CLECs the pre-order, ordering, and maintenance/repair

functions specified in Attachment B-1, and application-to-application ordering capability for the products specified in Attachment B-2. The forms, business rules, and methods for performing the specified functions and for ordering and provisioning the specified products may not be uniform between the Bell Atlantic Service Areas and the GTE Service Areas. The terms, conditions and prices or rates for the specified functions and products will be determined by tariffs, statements of generally available terms and conditions, or interconnection agreements and may not be uniform.

e. The target date for implementation of changes to OSS interfaces and business rules proposed in the plan will be implemented within 24 months after the completion of the collaborative process in Bell Atlantic Service Areas and within 24 months after the completion of the collaborative process in the GTE Service Areas. The target date for implementation of uniform transport and security protocols between Bell Atlantic and GTE Service Areas, as specified above, is 12 months after submission of the Plan. The target date for implementation of the OSS functions and product ordering capabilities specified in subparagraph d is 24 months after submission of the Plan. Nothing in this Section shall be construed to require that OSS interfaces or business rules be uniform between the Bell Atlantic Service Areas and the GTE Service Areas.

f. Within 5 years after the Merger Closing Date (assuming the duration of Phase 2 described in Paragraph 28 below is no longer than 30 days), SBC/Ameritech shall develop and deploy in the SBC/Ameritech Service Area, except for the SBC/Ameritech Service Area within Connecticut, uniform, Bell Atlantic/GTE will implement uniform, electronic OSS interfaces and business rules (including for pre-ordering and ordering components used to provide digital subscriber line ("xDSL") and other Advanced Services) between the Bell Atlantic and GTE Service Areas in Pennsylvania and Virginia. The OSS interfaces shall be commercially ready, uniform application-to-application interfaces using standards and guidelines as defined, adopted, and periodically updated by the Alliance For Telecommunications Industry Solutions ("ATIS") for OSS, e.g., Electronic Data Interchange ("EDI") and Common Object Request Broker Architecture ("CORBA") and graphical user interfaces for OSS (e.g., like SBC's toolbar interface) (e.g. GUI Version 3) that support the pre-ordering, ordering, provisioning, maintenance/repair, and billing for resold local services, UNEs that meet the requirements of 47 U.S.C. § 251(c)(3), and UNEs or UNE combinations that are required by this Appendix. SBC/Ameritech shall deploy these same interfaces in the SBC/Ameritech Service Area within Connecticut within 30 months of the Merger Closing Date (assuming the duration of Phase 2 described in Paragraph 28 below is no longer than 30 days).

28. Milestones applicable to the development and deployment of uniform application to application interfaces and graphical user interfaces are as follows:

a. Phase 1— SBC/Ameritech shall complete a publicly available Plan of Record, which shall consist of an overall assessment of SBC's and Ameritech's existing OSS interfaces, business processes and rules, hardware capabilities, data capabilities, and differences, and SBC/Ameritech's plan for developing and deploying uniform application to application interfaces and graphical user interfaces for OSS. The target date for completion of Phase 1 is 150 days after the Merger Closing Date. No later than 3 business days after the target date,

SBC/Ameritech shall file a notice regarding its satisfaction of this target with the Secretary of the Commission. SBC/Ameritech shall pay \$10,000 per business day per state in voluntary payments to the U.S. Treasury if the Chief of the Common Carrier Bureau determines in writing (after any appeals to the Commission, which may be taken) that SBC/Ameritech has failed to submit a Plan of Record that is in substantial compliance with the requirements of this Paragraph by the target date in any SBC/Ameritech State. Voluntary payments for all SBC/Ameritech States shall not exceed total of \$110,000 per business day for a failure to submit a Plan of Record that is in substantial compliance with the requirements of this Paragraph. The pendency of proceedings under this Subparagraph shall not delay the commencement of Phase 2 after the target date for Phase 1.

b. Phase 2—SBC/Ameritech shall work collaboratively with CLECs, in a single series of workshop sessions (in multiple locations, if necessary), to obtain written agreement on OSS interfaces, enhancements, business requirements identified in the Plan of Record, and a change management process, including a 12 month forward looking view of process changes and deployment schedule. The target date for completion of Phase 2 is 30 days after the target date for completion of Phase 1 if there is a written agreement, or 90 days after the target date for completion of Phase 1 if Phase 2 issues are sent to an arbitrator for resolution. Successful completion of Phase 2 is dependent upon the full cooperation of all participants in consummating a written agreement with SBC/Ameritech on the work to be done. The Chief of the Common Carrier Bureau shall try to assist and encourage the parties to reach a written agreement. If SBC/Ameritech and all of the CLECs participating in the workshop reach a written agreement within 30 days after the start of Phase 2, SBC/Ameritech shall file a copy of that agreement with the Chief of the Common Carrier Bureau and proceed with Phase 3. If SBC/Ameritech and all of the CLECs participating in the workshop cannot reach a written agreement within 30 days after the start of Phase 2, SBC/Ameritech shall, and participating CLECs may, notify the Chief of the Common Carrier Bureau and submit a list of the remaining unresolved issues in dispute. SBC/Ameritech shall at the same time submit a plan for development and deployment of uniform application to application and graphical user interfaces for OSS that incorporates what was agreed upon with the CLECs in the workshop sessions. The Chief of the Common Carrier Bureau shall (a) direct SBC/Ameritech to implement SBC/Ameritech's plan for development and deployment of uniform application to application and graphical user interfaces for OSS in its entirety, (b) authorize SBC/Ameritech and the CLEC(s) to submit the remaining unresolved issues in dispute to consolidated binding arbitration, or (c) extend the collaborative period to continue efforts to obtain a written agreement. If SBC/Ameritech and all of the CLECs participating in the workshop do not reach a written agreement in Phase 2, in no event shall work begin in Phase 3 until (a) SBC/Ameritech is directed by the Chief of the Common Carrier Bureau to implement the plan for development and deployment of uniform application to application and graphical user interfaces for OSS as proposed by SBC/Ameritech in its entirety, or (b) SBC/Ameritech is directed by the Chief of the Common Carrier Bureau to arbitrate the remaining unresolved issues in dispute and SBC/Ameritech receives the arbitrator's decision. Any such consolidated binding arbitration shall be conducted before an independent third party arbitrator nominated by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, in consultation with subject matter experts selected by the arbitrator from a list of 3 firms supplied by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau,

which may include Telcordia Technologies, and shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Chief of the Common Carrier Bureau shall direct the arbitrator that the arbitration will last no more than 60 days, unless the Chief extends that deadline. Each party to the arbitration shall pay its own costs. SBC/Ameritech shall pay 50 percent of the costs of the arbitrator and expert(s), and the CLECs that are parties to the disputed issues shall pay 50 percent of the arbitrator and expert costs.

e. Phase 3—SBC/Ameritech shall develop and deploy, using a phased in approach, system interfaces, enhancements, and business requirements consistent with the written agreement obtained in Phase 2 or the arbitrator's decision in Phase 2.

(1) To the extent that SBC/Ameritech has completed negotiation of a uniform change management process in accordance with Paragraph 32, SBC/Ameritech shall follow that uniform change management process in Phase 3. The target date for completion of Phase 3 is 18 months after completion of Phase 2, with the exception of the SBC/Ameritech Service Area within Connecticut where the target date shall be 24 months after completion of Phase 2. The target dates in Phase 3 shall begin to run on the date the plan for Phase 3 is finalized, which may be the date of execution of the written agreement in Phase 2, the date on which the Chief of the Common Carrier Bureau directs SBC/Ameritech in writing to implement SBC/Ameritech's plan in its entirety, or the effective date of a final decision by the arbitrator in Phase 2 resolving all outstanding issues, whichever date is applicable. Within 3 business days after the target date, SBC/Ameritech shall file a notice regarding its satisfaction of this target with the Secretary of the Commission. of resold local services and unbundled network elements ("UNEs") that meet the requirements of 47 U.S.C. § 251(c)(3).

(1) Bell Atlantic/GTE may achieve uniformity within Pennsylvania and Virginia by implementing a software solution that masks differences between Bell Atlantic's and GTE's systems, by promulgating uniform business rules for completing CLEC local service requests, or by modifying Bell Atlantic/GTE's network and operating support systems (including associated business processes, methods, and procedures), at Bell Atlantic/GTE's option. Bell Atlantic/GTE shall have no obligation to achieve uniformity where differences are caused by state regulatory requirements or product definitions.

(2) Bell Atlantic/GTE shall implement uniform interfaces and business rules for at least eighty (80) percent of the access lines in the GTE Service Areas in Pennsylvania and Virginia (subject to subparagraph 3. below) by converting the following percentages of such access lines that Bell Atlantic/GTE have an obligation to convert ("Obligated Access Lines"):

<u>Date</u>	<u>Percent of Obligated Access Lines</u>
<u>No later than 24 months after Merger Closing Date</u>	<u>40%</u>
<u>No later than 36 months after Merger Closing Date</u>	<u>60%</u>
<u>No later than 48 months after Merger Closing Date</u>	<u>80%</u>

<u>No later than 60 months after Merger Closing Date</u>	<u>100%</u>
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(3) Bell Atlantic/GTE shall have no obligation to implement uniform interfaces and business rules for up to twenty (20) percent of the total access lines in GTE's Service Areas in Pennsylvania and Virginia if such access lines are served by wire centers in which there is no active collocator that is interconnected with and exchanging minutes of use with GTE.

(4) As access lines are converted to the uniform interfaces and business rules, they will no longer be uniform with GTE Service Areas in states other than Pennsylvania and Virginia or with unconverted GTE Service Areas in Pennsylvania and Virginia. Such non-uniformity with other GTE Service Areas shall not constitute or be considered a violation of the conditions set out in Paragraphs 18-26. In addition, as access lines are converted to the uniform interfaces and business rules, the GTE interfaces and business rules will no longer be available with respect to those lines. Bell Atlantic/GTE will provide notice of the conversion schedule for access to OSS through the Change Management Process.

20. Within 12 months after the Merger Closing Date, Bell Atlantic/GTE will adopt in each Bell Atlantic/GTE State the current Bell Atlantic change management process originally developed as part of the New York Proceeding. Implementation of this change management process in each state will be dependent upon any necessary state approvals. In any state where approval is necessary, Bell Atlantic/GTE will make a filing seeking such approval no later than 180 days after the Merger Closing Date. For purposes of this Section, "change management process" means the documented process that Bell Atlantic/GTE and the CLECs follow to facilitate communication about OSS changes, new interfaces and retirement of old interfaces, as well as the implementation timeframes: which includes such provisions as a developmental view, release announcements, comments and reply cycles, new entrant and new release testing processes and regularly scheduled change management meetings. Bell Atlantic/GTE shall offer to include in its interconnection agreements with CLECs a commitment to follow the uniform change management process agreed upon with interested CLECs.

21.(2) If a CLEC contends that SBC/Ameritech Bell Atlantic/GTE has not developed and or deployed system interfaces, enhancements, and business requirements business rules, or change management processes in substantial compliance with the written agreement obtained in Phase 2, or has not complied with the arbitrator's decision received in Phase 2 this Section, it may notify the Chief of the Common Carrier Bureau and request consolidated binding arbitration. Thereafter, the Chief of the Common Carrier Bureau may require SBC/Ameritech Bell Atlantic/GTE and the CLEC(s) to submit to consolidated binding arbitration, if the Chief of the Common Carrier Bureau determines in writing that arbitration is appropriate and in the public interest. Any such consolidated binding arbitration shall be conducted before an independent third-party arbitrator nominated by SBC/Ameritech Bell Atlantic/GTE and approved by the Chief of the Common Carrier Bureau, in consultation with subject matter experts selected by the arbitrator from a list of 3 firms supplied by SBC/Ameritech Bell Atlantic/GTE and



approved by the Chief of the Common Carrier Bureau, which may include Telcordia Technologies, and shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Chief of the Common Carrier Bureau shall direct the arbitrator that the arbitration will last no more than 60 days, unless the Chief extends that deadline. Each party to the arbitration shall pay its own costs. ~~SBC/Ameritech~~ Bell Atlantic/GTE shall pay 50 percent of the costs of the arbitrator and expert(s), and the CLECs that are parties to the disputed issues shall pay 50 percent of the arbitrator and expert costs. If the arbitrator determines that ~~SBC/Ameritech~~ Bell Atlantic/GTE has not developed ~~and or~~ deployed system interfaces, enhancements, and business requirements business rules, or change management processes in substantial compliance with ~~the written agreement obtained in Phase 2,~~ or has not complied with the arbitrator's decision received in Phase 2, ~~SBC/Ameritech~~ shall pay up to an amount of this Section, Bell Atlantic/GTE shall pay an amount of up to \$10,000 per business day per state in voluntary payments to the U.S. Treasury, as determined by the arbitrator. Voluntary payments shall not exceed a total of \$110,000 per business day for all ~~SBC/Ameritech~~ Bell Atlantic/GTE States. Bell Atlantic/GTE States.

(3) 22. Bell Atlantic/GTE shall offer to develop and deploy in the Bell Atlantic/GTE Service Areas, an Electronic Bonding Interface (EBI) that supports maintenance/repair of resold local services and UNEs that meet the requirements of 47 U.S.C. § 251(c)(3); provided, however, that a telecommunications carrier requesting such EBI enters into a written contract wherein (i) Bell Atlantic/GTE and the requesting telecommunications carrier agree to the precise nature of the EBI implementation, and (ii) the requesting telecommunications carrier agrees to pay Bell Atlantic/GTE for the costs of development of any enhancements to the EBI in advance of industry standards. This offer shall be made available for a period of 30 months after the Merger Closing Date. Bell Atlantic/GTE shall develop and deploy the EBI contracted for within 12 months of an executed contract. In the event an enhancement to the EBI contracted for by a telecommunications carrier becomes an industry standard, without any changes or modifications, within 12 months of deployment by Bell Atlantic/GTE, Bell Atlantic/GTE shall provide the telecommunications carrier a refund of the money the telecommunications carrier has paid Bell Atlantic/GTE for the development and deployment of the enhancement.

23. Voluntary payments of up to \$10,000 per business day per state shall be due only with respect to time periods during which ~~SBC/Ameritech~~ Bell Atlantic/GTE is in non-compliance and that are one or more of the following: (i) a period for which ~~SBC/Ameritech~~ Bell Atlantic/GTE acknowledges a failure to meet the relevant target date; (ii) within the first 3 business days after the relevant missed target date; or (iii) between the date on which the arbitrator has issued a final decision that ~~SBC/Ameritech~~ Bell Atlantic/GTE is in non-compliance and the date on which ~~SBC/Ameritech~~ Bell Atlantic/GTE files a notice with the Chief of the Common Carrier Bureau that it has corrected that non-compliance. In addition, if the arbitrator finds in writing that ~~SBC/Ameritech~~ Bell Atlantic/GTE intentionally and willfully failed to comply with the relevant requirement(s), and the Chief of the Common Carrier Bureau concurs in writing with such a finding, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall make an additional payment of up to \$110,000, as determined by the arbitrator, for each business day that ~~SBC/Ameritech~~ Bell Atlantic/GTE was not in compliance. ~~SBC/Ameritech~~ Bell Atlantic/GTE shall have the right to appeal any such finding to the Commission. Bell Atlantic/GTE shall have

the right to offset, dollar for dollar, any payments due under this Section if it is required to make payments based on any state requirements or under any agreements with CLECs as a result of the same conduct for which the payment is due under this Section.

24 d. Notwithstanding anything else in these Conditions, the total of all voluntary payments relating to any or all milestones established under this ~~Paragraph~~ Section shall not exceed \$20 million.

\*\* 1 48 25. OSS Discounts. Until ~~SBC/Ameritech~~ Bell Atlantic/GTE has developed and deployed OSS ~~options~~ interfaces for pre-ordering and ordering unbundled network elements used to provide xDSL and other Advanced Services components in satisfaction of Subparagraph 15c of these Conditions and the EDI interface specified in that Subparagraph is and the interfaces referenced in this Section are used by the separate Advanced Services affiliate for pre-ordering and ordering a substantial majority (i.e., at least 75 percent of pre-order inquiries and at least 75 percent of orders) of the Advanced Services components, including line-sharing, the separate Advanced Services affiliate uses in the relevant geographic area, ~~SBC/Ameritech's~~ Bell Atlantic/GTE's incumbent LECs within the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area shall, beginning 30 days after the Merger Closing Date, make available through inclusion of appropriate terms in interconnection agreements with telecommunications carriers or by tariff, a discount of 25 percent from the recurring and nonrecurring charges (including 25 percent from the Surrogate Line Sharing Charges, if applicable) that otherwise would be applicable for unbundled local loops used in accordance with Paragraph 7 of these Conditions to provide Advanced Services in the same relevant geographic area.

\*\* 2 a. Such discounts shall not apply retroactively to charges incurred prior to the effective date of the discounts, but will apply to charges incurred after the effective date of the discount for both (i) recurring charges for qualifying loops in-service, and (ii) recurring and non-recurring charges for new installations of qualifying loops. By way of example, if the Surrogate Line Sharing Charges are \$8.00/month, the charge would be discounted to \$6.00/month in areas where this OSS discount is applicable. ~~SBC/Ameritech~~ Bell Atlantic/GTE may provide promotional discounts through credits, true-ups, or other billing mechanisms, provided, however, that such credits, true-ups or other mechanisms are applied within 60 days of the initial billing for the service. To obtain such discounts, a telecommunications carrier must provide written notification to ~~SBC/Ameritech~~ Bell Atlantic/GTE identifying the unbundled loops that it is using to provide an Advanced Service.

\*\* 3 b. Unaffiliated providers of Advanced Services that obtain OSS discounts on unbundled local loops pursuant to this Paragraph shall, on a quarterly basis, certify to ~~SBC/Ameritech~~ Bell Atlantic/GTE and the appropriate state commission that they are using all unbundled local loops on which they are receiving the OSS discounts to provision an Advanced Service in compliance with the provisions of this Paragraph. ~~SBC/Ameritech~~ Bell Atlantic/GTE shall have the right to hire, at its own expense, an independent third-party auditor to perform all necessary audits and inspections needed to assure that unbundled local loops provided under the OSS discount are used in accordance with this Paragraph. Unaffiliated providers of Advanced Services that obtain OSS discounts shall agree to cooperate in the performance of such audits and

inspections. Audit information shall be restricted to ~~SBC/Ameritech~~ Bell Atlantic/GTE regulatory, legal, and/or wholesale personnel, and ~~SBC/Ameritech~~ Bell Atlantic/GTE shall prohibit those personnel from disclosing audit-related, customer-specific or company-specific proprietary information to ~~SBC/Ameritech~~ Bell Atlantic/GTE retail personnel.

29. ~~For a period of 30 months after the Merger Closing Date, SBC/Ameritech shall offer to develop in the SBC/Ameritech Service Area, direct access to SBC's SORD system and to Ameritech's and SNET's equivalent service order processing system for resold local services, UNEs that meet the requirements of 47 U.S.C. § 251(c)(3), and UNEs or UNE combinations that are required by this these conditions; provided, however, that a CLEC requesting such direct access enters into a written contract wherein SBC/Ameritech and the CLEC agree to (i) the precise nature of the SORD (or the Ameritech or SNET equivalent service order processing system) functions that shall be provided by SBC/Ameritech, (ii) a timetable for deployment of direct access to such functions, which shall not exceed 18 months from the date of execution of the contract; and (iii) a timetable for delivery of training on how to use such functions. If more than one CLEC requests direct access to the same SORD (or Ameritech or SNET equivalent service order processing system) function, each CLEC entering into a written contract to obtain such direct access will pay its proportionate share of the costs associated with developing direct access to such SORD (or the Ameritech or SNET equivalent service order processing system) function based upon the number of CLECs requesting direct access to the same function. If a CLEC requests direct access to a SORD (or the Ameritech or SNET equivalent service order processing system) function that has already been developed for other CLECs, SBC/Ameritech shall provide that direct access at no charge. SBC/Ameritech shall develop and pay for a training package, and the CLEC shall pay for the costs of delivery of the training.~~

30. ~~SBC/Ameritech shall offer to develop and deploy in the SBC/Ameritech Service Area, in advance of industry standards, enhancements to the existing EBI interface for OSS that support maintenance/repair of resold local services, UNEs that meet the requirements of 47 U.S.C. § 251(c)(3), and UNEs or UNE combinations that are required by this Appendix; provided, however, that a telecommunications carrier requesting such enhancements enters into a written contract wherein (i) SBC/Ameritech and the requesting telecommunications carrier agree to the precise nature of the enhancement(s), and (ii) the requesting telecommunications carrier agrees to pay SBC/Ameritech for the costs of development. This offer shall be made available for a period of 30 months after the Merger Closing Date. SBC/Ameritech shall develop and deploy the enhancements contracted for within 12 months of an executed contract. In the case of the SBC/Ameritech Service Area within the Ameritech States and Connecticut, this interface shall be provided in conjunction with the introduction of the EBI interface described in Paragraph 26 above, or within 12 months of a completed contract, whichever is later. In the event an enhancement to the existing EBI interface contracted for by a telecommunications carrier becomes an industry standard, without any changes or modifications, within 12 months of deployment by SBC/Ameritech, SBC/Ameritech shall provide the telecommunications carrier a refund of the money the telecommunications carrier has paid SBC/Ameritech for the development and deployment of the enhancement.~~

31. ~~Within 30 months after the Merger Closing Date (assuming the duration of Phase 2 described below is no longer than 30 days) SBC/Ameritech shall develop jointly with CLECs, and deploy~~

throughout the SBC/Ameritech Service Areas, either (i) a software solution that shall ensure that CLEC submitted local service requests are consistent with SBC/Ameritech's business rules, or (ii) uniform business rules for completing CLEC local service requests, excluding those differences caused by state regulatory requirements and product definitions. Milestones applicable to the development and deployment of a software solution or uniform business rules are as follows:

a. Phase 1—SBC/Ameritech shall complete a publicly available Plan of Record, which shall consist of an assessment of SBC/Ameritech business rules and SBC/Ameritech's plan for developing and deploying a software solution or uniform business rules. The target date for completion of Phase 1 is 150 days after completion of Phase 2 of the development of both uniform application to application and graphical user interfaces for OSS, as described in Paragraph 28. No later than 3 business days after the target date, SBC/Ameritech shall file a notice regarding its satisfaction of this target with the Secretary of the Commission. SBC/Ameritech shall pay \$10,000 per business day per state in voluntary payments to the U.S. Treasury if the Chief of the Common Carrier Bureau determines in writing (after any appeals to the Commission, which may be taken) that SBC/Ameritech has failed to submit a Plan of Record that is in substantial compliance with the requirements of this Paragraph by the target date in any SBC/Ameritech State. Voluntary payments for all SBC/Ameritech States shall not exceed total of \$110,000 per business day for a failure to submit a Plan of Record that is in substantial compliance with the requirements of this Paragraph by the target date. The pendency of proceedings under this Subparagraph shall not delay the commencement of Phase 2 after the target date for Phase 1.

b. Phase 2—SBC/Ameritech shall work collaboratively with the CLECs operating in the SBC/Ameritech Service Area, in a single series of workshop sessions (in multiple locations, if necessary), to obtain a written agreement on a software solution or business rule changes identified in the Plan of Record, and a change management process, including a 12 month forward looking view of deployment. The target date for completion of Phase 2 is 30 days after the target date for completion of Phase 1 if there is a written agreement, or 90 days after the target date for completion of Phase 1 if Phase 2 issues are sent to an arbitrator for resolution. Successful completion of Phase 2 is dependent upon the full cooperation of all participants in consummating a written agreement with SBC/Ameritech on the work to be done. The Chief of the Common Carrier Bureau shall try to assist and encourage the parties to reach a written agreement. If SBC/Ameritech and all of the CLECs participating in the workshop reach a written agreement, SBC/Ameritech shall file a copy of that agreement with the Chief of the Common Carrier Bureau and proceed with Phase 3. If SBC/Ameritech and all of the CLECs participating in the workshop cannot reach a written agreement within 30 days after the start of Phase 2, SBC/Ameritech shall, and participating CLECs may, notify the Chief of the Common Carrier Bureau, and submit to the Chief of the Common Carrier Bureau a list of the remaining unresolved issues in dispute. SBC/Ameritech shall at the same time submit to the Chief of the Common Carrier Bureau a plan for development and deployment of either a software solution or business rule changes that incorporates what was agreed upon with the CLECs in the workshop sessions. The Chief of the Common Carrier Bureau shall (a) direct SBC/Ameritech to implement SBC/Ameritech's plan for development and deployment of either a software solution or uniform business rules in its entirety, (b) authorize SBC/Ameritech and one or more CLEC(s) to submit

~~the remaining unresolved issues in dispute to consolidated binding arbitration, or (c) extend the collaborative period to continue efforts to obtain a written agreement. If SBC/Ameritech and all of the CLECs participating in the workshop do not reach a written agreement in Phase 2, in no event shall work begin in Phase 3 until SBC/Ameritech is directed by the Chief of the Common Carrier Bureau to implement the plan for development and deployment of either a software solution or uniform business rules as proposed by SBC/Ameritech in its entirety, or SBC/Ameritech is directed by the Chief of the Common Carrier Bureau to arbitrate the remaining unresolved issues in dispute and SBC/Ameritech receives the arbitrator's decision. Any such consolidated binding arbitration shall be conducted before an independent third-party arbitrator nominated by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, in consultation with subject matter experts selected by the arbitrator from a list of 3 firms supplied by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, which may include Telcordia Technologies, and shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Chief of the Common Carrier Bureau shall direct the arbitrator that the arbitration will last no more than 60 days, unless the Chief extends that deadline. SBC/Ameritech shall pay 50 percent of the costs of the arbitrator and expert(s), and the CLECs that are parties to the disputed issues shall pay 50 percent of the arbitrator and expert costs.~~

~~e. Phase 3—SBC/Ameritech shall develop and deploy, using a phased-in approach, the software solution or business rule changes agreed upon in Phase 2 or ordered by the arbitrator in Phase 2.~~

~~(1) To the extent that SBC/Ameritech has completed negotiation of a uniform change management process in accordance with Paragraph 32, SBC/Ameritech shall follow that uniform change management process in Phase 3. The target date for completion of Phase 3 is 18 months after completion of Phase 2. The target dates in Phase 3 shall begin to run on the date the plan for Phase 3 is finalized, which may be the date of execution of the written agreement in Phase 2, the date on which the Chief of the Common Carrier Bureau directs SBC/Ameritech in writing to implement SBC/Ameritech's plan in its entirety, or the effective date of a final decision by the arbitrator in Phase 2 resolving all outstanding issues, whichever date is applicable. Within 3 business days of the target date, SBC/Ameritech shall file a notice regarding its satisfaction of this target with the Secretary of the Commission.~~

~~(2) If a CLEC contends that SBC/Ameritech has not developed and deployed the software solution or business rule changes in substantial compliance with what was agreed upon in Phase 2 or ordered by the arbitrator in Phase 2, it may notify the Chief of the Common Carrier Bureau and request consolidated binding arbitration. Thereafter, the Chief of the Common Carrier Bureau may require SBC/Ameritech and the CLEC(s) to submit to consolidated binding arbitration, if the Chief of the Common Carrier Bureau determines in writing that arbitration is appropriate and in the public interest. Any such consolidated binding arbitration shall be conducted before an independent third-party arbitrator nominated by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, in consultation with subject matter experts selected by the arbitrator from a list of 3 firms supplied by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, which may include Telcordia Technologies, and shall be conducted in accordance with the Commercial Arbitration Rules of the American~~

~~Arbitration Association. The Chief of the Common Carrier Bureau shall direct the arbitrator that the arbitration will last no more than 60 days, unless the Chief extends that deadline. Each party to the arbitration shall pay its own costs. SBC/Ameritech shall pay 50 percent of the costs of the arbitrator and expert(s), and the CLECs that are parties to the disputed issues shall pay 50 percent of the arbitrator and expert costs. If the arbitrator determines that SBC/Ameritech has not developed and deployed the software solution or business rule changes in substantial compliance with what was agreed upon in Phase 2 or ordered by the arbitrator in Phase 2, SBC/Ameritech shall pay up to \$10,000 per business day per state in voluntary payments to the U.S. Treasury, as determined by the Arbitrator. Voluntary payments shall not exceed a total of \$110,000 per business day for all SBC/Ameritech States.~~

~~(3) Voluntary payments of up to \$10,000 per business day per state shall be due only with respect to time periods during which SBC/Ameritech is in non-compliance and that are one or more of the following: (i) a period for which SBC/Ameritech acknowledges a failure to meet the relevant target date; (ii) within the first 3 business days after the relevant missed target date; or (iii) between the date on which the arbitrator has issued a final decision that SBC/Ameritech is in non-compliance and the date on which SBC/Ameritech files a notice with the Chief of the Common Carrier Bureau that it has corrected that non-compliance. In addition, if the arbitrator finds in writing that SBC/Ameritech intentionally and willfully failed to comply with the relevant requirement(s), and the Chief of the Common Carrier Bureau concurs in writing with such a finding, SBC/Ameritech shall make an additional payment of up to \$110,000, as determined by the arbitrator, for each business day that SBC/Ameritech was not in compliance. SBC/Ameritech shall have the right to appeal any such finding to the Commission.~~

~~d. Notwithstanding anything else in these Conditions, the total of all voluntary payments relating to any or all milestones established under this Paragraph shall not exceed \$20 million.~~

~~32. Within 30 days after the Merger Closing Date, SBC/Ameritech shall begin to negotiate with interested CLECs a uniform change management process for implementation in the SBC/Ameritech Service Area. Subject to arbitration, the resulting change management process shall be developed and offered to state commissions for their acceptance and approval, within 12 months after the commencement of negotiations. SBC/Ameritech shall implement those aspects of the uniform change management process that are consistent with state commission rulings, agreed to with the CLEC participants, and feasible. For purposes of this Paragraph, "change management process" means the documented process that SBC/Ameritech and the CLECs follow to facilitate communication about OSS changes, new interfaces and retirement of old interfaces, as well as the implementation timeframes; which includes such provisions as a 12-month developmental view, release announcements, comments and reply cycles, joint testing processes and regularly scheduled change management meetings. SBC/Ameritech shall offer to include in its interconnection agreements with CLECs a commitment to follow the uniform change management process agreed upon with interested CLECs. In the event that CLECs doing business with SBC/Ameritech in different states are unable to agree on certain components of a uniform change management process, SBC/Ameritech shall implement those components of the uniform change management process that are agreed to with the CLEC participants where feasible, and SBC/Ameritech shall notify the Chief of the Common Carrier Bureau, and submit~~

~~to the Chief of the Common Carrier Bureau SBC/Ameritech's plan for a uniform change management process in its entirety and a list of the components of the change management process that are in dispute. The Chief of the Common Carrier Bureau shall (a) direct SBC/Ameritech to implement SBC/Ameritech's proposed plan for a uniform change management process in its entirety, or (b) authorize SBC/Ameritech and one or more CLEC(s) to submit the remaining unresolved issues in dispute to consolidated binding arbitration, or (c) extend the collaborative period to continue efforts to obtain an agreement. CLEC(s) shall have the right to submit the remaining unresolved issues in dispute to consolidated binding arbitration if the Chief of the Common Carrier Bureau determines in writing that arbitration is appropriate and in the public interest. Any disputes between SBC/Ameritech and the CLECs arising out of or relating to the negotiation of a uniform change management control process shall be decided in a consolidated binding arbitration by an independent third party arbitrator nominated by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, in consultation with subject matter experts selected from a list of 3 firms supplied by SBC/Ameritech and approved by the Chief of the Common Carrier Bureau, which may include Telecordia Technologies, and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Chief of the Common Carrier Bureau shall direct the arbitrator that the arbitration will last no more than 60 days, unless the Chief extends that deadline. SBC/Ameritech shall pay 50 percent of the costs of the arbitrator and expert(s), and the CLECs that are parties to the disputed issues shall pay 50 percent of the arbitrator and expert costs.~~

~~33. Within the SBC/Ameritech Service Area, SBC/Ameritech shall provide unaffiliated telecommunications carriers with access to the OSS enhancements and additional interfaces required by Paragraphs 26, 27, 29, and 30 of these Conditions for not less than 36 months after they are deployed.~~

~~34. Payments made to the U.S. Treasury in connection with the above OSS enhancements and additional interfaces shall not be reflected in the revenue requirement of an SBC/Ameritech incumbent LEC.~~

## **IX. Restructuring OSS Charges**

[Text deleted]

## **X. VII. OSS Assistance to Qualifying CLECs**

~~36. Within the SBC/Ameritech Service Area, SBC/Ameritech shall adopt measures for assisting Qualifying CLECs in using SBC/Ameritech's OSS, as follows:~~

~~a. The term "Qualifying CLEC" means~~

26. Within the Bell Atlantic/GTE Service Area, Bell Atlantic/GTE shall adopt measures for assisting Qualifying CLECs in using Bell Atlantic/GTE's OSS, as follows:

a. The term "Qualifying CLEC" means (1) any CLEC that, when combined with all of the CLEC's affiliates, including its parents and subsidiaries, and the CLEC's joint ventures that provide telecommunications services, has less than \$300 million in total annual telecommunications revenues, excluding revenues from wireless services, as reported to the

Securities and Exchange Commission or in other documents mutually agreeable to such CLEC and ~~SBC/Ameritech~~ Bell Atlantic/GTE. (2) any CLEC that presently serves end users in one or more Bell Atlantic Service Areas but does not serve end users in any GTE Service Areas that seeks to extend its services into any GTE Service Area. (3) any CLEC that presently serves end users in one or more GTE Service Areas but does not serve end users in any Bell Atlantic Service Areas that seeks to extend its services to any Bell Atlantic Service Area. or (4) any CLEC that does not presently serve end users in either GTE Service Areas or Bell Atlantic Service Areas. The CLEC may certify its status as a Qualifying CLEC to ~~SBC/Ameritech~~ Bell Atlantic/GTE. Disputes relating to the status of an entity as a Qualifying CLEC may be resolved by the appropriate state commission(s).

b. Within ~~30~~ 90 days following the Merger Closing Date, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall designate and make available one or more teams of a sufficient number of OSS experts dedicated and empowered to assist Qualifying CLECs with OSS issues, provided that such Qualifying CLECs have contracted for OSS in their interconnection agreements with ~~SBC/Ameritech~~ Bell Atlantic/GTE and have attended any OSS training required by their interconnection agreements. Each team shall be available to provide further training and assistance, not including the provision of any telecommunications service, to such CLECs at no additional cost for a minimum of 36 months following the designation of the team. ~~A Qualifying CLEC may request reasonable changes, expansion, and/or reduction in the composition of such a team.~~ Within 60 ~~Bell Atlantic/GTE and the Qualifying CLEC will jointly develop a plan to address the specific OSS issues of concern to that CLEC.~~ Within 90 days following the Merger Closing Date, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall provide notice of the availability of these teams to all Qualifying CLECs certificated and operating in the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area.

c. Within 90 days following the Merger Closing Date, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall identify and discuss in one or more CLEC forums training and procedures that would be beneficial to Qualifying CLECs operating in the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Areas. Within 120 days following the Merger Closing Date, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall provide ~~notice of~~ schedules for such training and procedures to all Qualifying CLECs certificated and operating in the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area.

#### **VIII. Collocation, Unbundled Network Elements, and Line Sharing Compliance XI.** **Collocation Compliance**

~~37. In the SBC/Ameritech Service Area, SBC/Ameritech~~ 27. Collocation. In the Bell Atlantic/GTE Service Area, Bell Atlantic/GTE shall provide collocation consistent with the Commission's rules, including the First Report and Order in CC Docket No. 98-147, FCC No. 99-48 (rel. March 31, 1999) ("Collocation and Advanced Services Order"), to the extent effective.

38 a. Prior to the Merger Closing Date, ~~SBC~~ Bell Atlantic and ~~Ameritech~~ GTE shall, in each of the ~~SBC/Ameritech~~ Bell Atlantic/GTE States, have filed a collocation tariff



and/or offered amendments containing standard terms and conditions for collocation for inclusion in interconnection agreements under 47 U.S.C. § 252. Such tariffs and/or amendments shall contain all rates, terms, and conditions necessary to bring SBC/Ameritech's Bell Atlantic/GTE's provision of collocation into compliance with the Commission's Commission's governing rules.

39 b. Prior to the Merger Closing Date, Ameritech Bell Atlantic and SBC GTE shall retain one or more independent auditors acceptable to the Chief of the Common Carrier Bureau to perform an examination engagement and issue an attestation report resulting in a positive opinion (with exceptions noted) regarding whether the terms and conditions offered in tariffs and amendments to interconnection agreements, and the methods and procedures put in place by SBC Bell Atlantic and Ameritech GTE to implement those terms and conditions, comply with the collocation requirements contained in the Collocation and Advanced Services Order, to the extent effective. The engagement shall be supervised by persons licensed to provide accounting services and shall be conducted in accordance with the relevant standards of the American Institute of Certified Public Accountants ("AICPA"). The attestation report shall be in substantially the form provided as Attachment B C and shall be filed with the Secretary of the Commission, for the public record, no later than 10 days after the Merger Closing Date. The Commission shall have access to working papers and supporting materials of the independent auditor, as provided below in Paragraph 40 g 55g.

40 c. Prior to the Merger Closing Date, Ameritech Bell Atlantic and SBC GTE shall propose to the Chief of the Common Carrier Bureau an independent auditor to perform an examination engagement and issue an attestation report resulting in a positive opinion (with exceptions noted) regarding SBC/Ameritech's Bell Atlantic/GTE's compliance with the Commission's collocation requirements, ~~including but not limited to the Collocation and Advanced Services Order, for the first 240 days~~ for 4 full months after the Merger Closing Date. The audit required by this Paragraph shall be in lieu of any other audit of SBC/Ameritech's Bell Atlantic/GTE's compliance with the Commission's collocation requirements during the ~~first~~ 12 months after the Merger Closing Date that otherwise would be required under these Conditions. In addition, the auditor shall take into account in accordance with the relevant standards of the AICPA any collocation audits performed within the 18 months prior to the Merger Closing Date. The independent auditor shall be acceptable to the Chief of the Common Carrier Bureau and shall not have been instrumental during the past 24 months in designing substantially all of the systems and processes under review in the audit, viewed as a whole. The engagement shall be supervised by persons licensed to provide accounting services and shall be conducted in accordance with the relevant standards of the AICPA. SBC/Ameritech Bell Atlantic/GTE shall engage the auditor within 15 days of the Bureau Chief's written acceptance of the proposed auditor. The independent auditor's report shall be prepared and submitted as follows:

~~a. (1)~~ Not later than ~~60~~ 45 days after the Merger Closing Date, the independent auditor shall submit a preliminary audit program, including the proposed scope of the audit and the extent of compliance and substantive testing, to the ~~Commission's~~ Commission's Audit Staff (~~"Audit Staff")~~ ("Audit Staff"). The preliminary audit program shall be afforded confidential treatment in accordance with the Commission's normal processes and

procedures. The independent auditor shall consult with the Audit Staff and SBC/Ameritech Bell Atlantic/GTE regarding changes to the preliminary audit program, but Commission approval of the requirements or changes thereto shall not be required.

~~b~~-(2) During the course of the audit, the independent auditor shall inform the Audit Staff of any revisions to the audit program; notify the Audit Staff of any meetings with SBC/Ameritech Bell Atlantic/GTE in which audit findings are discussed; and consult with the Common Carrier Bureau regarding any accounting or rule interpretations necessary to complete the audit. The independent auditor shall notify SBC/Ameritech Bell Atlantic/GTE of any consultation with the Common Carrier Bureau regarding accounting or rule interpretations.

~~c~~-(3) The independent auditor shall have access to books, records, and operations of SBC/Ameritech Bell Atlantic/GTE and its affiliates that are under the control of SBC/Ameritech Bell Atlantic/GTE and are necessary to fulfill the audit requirements of this Section. The independent auditor shall notify SBC/Ameritech's Bell Atlantic/GTE's compliance officer of any inability to obtain such access. The auditor shall notify the Audit Staff if access is not timely provided after notification to the compliance officer.

~~d~~-(4) The independent auditor may verify SBC/Ameritech's Bell Atlantic/GTE's compliance with the collocation requirements through contacts with the Commission, state commissions, or SBC/Ameritech's Bell Atlantic/GTE's wholesale customers, as deemed appropriate by the independent auditor.

\* 4 moved from here; text not shown

(5) Not later than 210 days after the filing of the attestation report in Subparagraph 27(b), the independent auditor shall submit its final audit report to the Commission's Audit Staff. A copy of the report shall be publicly filed with the Secretary of the Commission.

~~f~~-(6) The independent auditor's report shall include a discussion of the scope of the work conducted; a statement regarding SBC/Ameritech's Bell Atlantic/GTE's compliance or non-compliance with the Commission's collocation rules; a statement regarding the sufficiency of SBC/Ameritech's Bell Atlantic/GTE's methods, procedures, and internal controls for compliance with the Commission's collocation rules; and a description of any limitations imposed on the auditor in the course of its review by SBC/Ameritech Bell Atlantic/GTE or other circumstances that might affect the auditor's opinion.

~~g~~-(7) For 24 months following submission of the final audit report, the Commission and state commissions in the SBC/Ameritech Bell Atlantic/GTE States shall have access to the working papers and supporting materials of the independent auditor at a location in Washington, D.C. that is selected by SBC/Ameritech Bell Atlantic/GTE and the independent auditor. Copying of the working papers and supporting materials by the Commission shall be allowed but shall be limited to copies required for the Commission to verify compliance with and enforce these Conditions. Any copies made by the Commission shall be returned to SBC/Ameritech Bell Atlantic/GTE by the Commission. The Commission's review of the working papers and supporting materials shall be kept confidential pursuant to the Commission's

rules and procedures. Prior to obtaining access to the working papers and supporting materials for review, state commissions shall enter into a protective agreement with the Chief of the Common Carrier Bureau and ~~SBC/Ameritech~~ Bell Atlantic/GTE under which the state commission's review, including any notes, shall be kept confidential.

41. ~~SBC/Ameritech~~ d. Bell Atlantic/GTE will, for 36 months after the Merger Closing Date, waive, credit or refund to telecommunications carriers 100 percent of the total nonrecurring collocation costs for qualifying collocation projects if ~~SBC/Ameritech~~ Bell Atlantic/GTE misses the collocation due date by more than 60 calendar days unless Bell Atlantic/GTE can demonstrate that the missed due date was solely caused by equipment vendor delay beyond Bell Atlantic/GTE control.

(1) The collocation business rules -

~~a. The following business rules (based on Measurement Number 17 in Attachments A-2a and A-2b — Percent Missed Collocation Due Dates from the Performance Measurements)~~ will be used for purposes of this Paragraph. The rules apply to all requests for physical, virtual, adjacent structure, and cageless collocation in a LATA where the requesting telecommunications carrier has submitted no more than 5 collocation requests to ~~SBC/Ameritech~~ Bell Atlantic/GTE in a LATA within a 30-day period that includes the date of the request. Requests in excess of 5 collocation arrangements per LATA will be included when the requesting telecommunications carrier meets with ~~SBC/Ameritech~~ Bell Atlantic/GTE in advance of its submission of the requests and negotiates a mutually agreeable deployment schedule. If no such agreement is reached, this condition shall apply to the first 5 requests received from the telecommunications carrier for the LATA during the 30-day period.

~~b.(2)~~ Unless otherwise mutually agreed, due dates for collocation requests will be established by ~~SBC/Ameritech~~ Bell Atlantic/GTE, in compliance with the standard collocation intervals included in the approved tariff or relevant interconnection agreement existing as of the Merger Closing Date, whichever governs the provision of collocation in the relevant state. Due dates may be extended when mutually agreed to by ~~SBC/Ameritech~~ Bell Atlantic/GTE and the telecommunications carrier, or by Acts of God or force majeure events or when such carrier fails to complete work items for which the carrier is responsible in the allotted time frame. The extended due date will be calculated by adding to the original due date the number of calendar days that ~~SBC/Ameritech~~ Bell Atlantic/GTE and the telecommunications carrier agree were attributable to Acts of God or force majeure events or that the telecommunications carrier was late in performing said work items. Work items include, but are not limited to, the telecommunications carrier return to ~~SBC/Ameritech~~ Bell Atlantic/GTE of corrected and complete floor plan drawings and placement of required components(s) by such carrier or its vendor. If ~~SBC/Ameritech~~ Bell Atlantic/GTE and the carrier cannot agree on the extended due date, this dispute will be submitted to the Chief of the Common Carrier Bureau for resolution.

~~e.(3)~~ A due date is considered met when ~~SBC/Ameritech~~ Bell Atlantic/GTE turns the space over to the telecommunications carrier (for physical collocation),

completes installation of virtually collocated equipment (or provides notification that the space is ready for installation where the carrier provides the virtually collocated equipment), or, in the case of adjacent structure collocation and cageless collocation where the carrier provides its own bays, when ~~SBC/Ameritech~~ Bell Atlantic/GTE provides the requested interconnection and power cabling to the collocation space.

28. Unbundled Network Elements and Line Sharing. Subject to Paragraph 39 below, in the Bell Atlantic/GTE Service Area, Bell Atlantic/GTE shall provide unbundled network elements and line sharing consistent with the Commission's rules.

a. Prior to Merger Closing Date, Bell Atlantic/GTE shall retain one or more independent auditors acceptable to the Chief of the Common Carrier Bureau to perform an examination engagement and issue an attestation report resulting in a positive opinion (with exceptions noted) regarding Bell Atlantic/GTE's compliance with the Commission's UNE and line sharing requirements for any 4 full months after the Merger Closing Date. The audit required by this Paragraph shall be in lieu of any other audit of Bell Atlantic/GTE's compliance with the Commission's UNE requirements during the first 12 full months after the Merger Closing Date that otherwise would be required under these Conditions. The independent auditor shall not have been instrumental during the past 24 months in designing substantially all of the systems and processes under review in the audit, viewed as a whole. The engagement shall be supervised by persons licensed to provide accounting services and shall be conducted in accordance with the relevant standards of the AICPA. The independent auditor's report shall be prepared and submitted as follows:

(1) Not later than 30 days after the Merger Closing Date, the independent auditor shall submit a preliminary audit program, including the proposed scope of the audit and the extent of compliance and substantive testing, to the Commission's Audit Staff ("Audit Staff"). The preliminary audit program shall be afforded confidential treatment in accordance with the Commission's normal processes and procedures. The independent auditor shall consult with the Audit Staff and Bell Atlantic/GTE regarding changes to the preliminary audit program, but Commission approval of the requirements or changes thereto shall not be required.

(2) During the course of the audit, the independent auditor shall inform the Audit Staff of any revisions to the audit program; notify the Audit Staff of any meetings with Bell Atlantic/GTE in which audit findings are discussed; and consult with the Common Carrier Bureau regarding any accounting or rule interpretations necessary to complete the audit. The independent auditor shall notify Bell Atlantic/GTE of any consultation with the Common Carrier Bureau regarding accounting or rule interpretations.

(3) The independent auditor shall have access to books, records, and operations of Bell Atlantic/GTE and its affiliates that are under the control of Bell Atlantic/GTE and are necessary to fulfill the audit requirements of this Section. The independent auditor shall notify Bell Atlantic/GTE's compliance officer of any inability to obtain such access. The auditor

shall notify the Audit Staff if access is not timely provided after notification to the compliance officer.

(4) The independent auditor may verify Bell Atlantic/GTE's compliance with the UNE and line sharing requirements through contacts with the Commission, state commissions, or Bell Atlantic/GTE's wholesale customers, as deemed appropriate by the independent auditor. **XII. Most-Favored-Nation Provisions for Out-of-Region and In-Region Arrangements**

\*\* 4 e.(5) Not later than ~~10 months~~ 180 days after the Merger Closing Date, the independent auditor shall submit its final audit report to the Commission's Audit Staff. A copy of the report shall be publicly filed with the Secretary of the Commission.

(6) The independent auditor's report shall include a discussion of the scope of the work conducted; a statement regarding Bell Atlantic/GTE's compliance or non-compliance with the Commission's UNE and line sharing rules; a statement regarding the sufficiency of Bell Atlantic/GTE's methods, procedures, and internal controls for compliance with the Commission's UNE and line sharing rules; and a description of any limitations imposed on the auditor in the course of its review by Bell Atlantic/GTE or other circumstances that might affect the auditor's opinion.

(7) For 24 months following submission of the final audit report, the Commission and state commissions in the Bell Atlantic/GTE States shall have access to the working papers and supporting materials of the independent auditor at a location in Washington, D.C. that is selected by Bell Atlantic/GTE and the independent auditor. Copying of the working papers and supporting materials by the Commission shall be allowed but shall be limited to copies required for the Commission to verify compliance with and enforce these Conditions. Any copies made by the Commission shall be returned to Bell Atlantic/GTE by the Commission. The Commission's review of the working papers and supporting materials shall be kept confidential pursuant to the Commission's rules and procedures. Prior to obtaining access to the working papers and supporting materials for review, state commissions shall enter into a protective agreement with the Chief of the Common Carrier Bureau and Bell Atlantic/GTE under which the state commission's review, including any notes, shall be kept confidential.

29. The independent auditor(s) shall submit a budget(s) for completing the audits required in this Section that do not in the aggregate exceed \$5 million. The auditor(s) may not exceed the budget(s) without first notifying the Chief of the Common Carrier Bureau and Bell Atlantic/GTE and obtaining their consent. Such consent shall not be unreasonably withheld.

#### **IX. Most-Favored-Nation Provisions for Out-of-Region and In-Region Arrangements**

30 42. Out-of-Region Agreements. SBC/Ameritech Bell Atlantic/GTE shall make available to telecommunications carriers in the SBC/Ameritech Bell Atlantic/GTE Service Area any service arrangements that an incumbent LEC (not an SBC/Ameritech a Bell Atlantic/GTE incumbent LEC) develops for an SBC/Ameritech a Bell Atlantic/GTE affiliate, at the request of

the ~~SBC/Ameritech~~ Bell Atlantic/GTE affiliate, where the ~~SBC/Ameritech~~ Bell Atlantic/GTE affiliate operates as a new local telecommunications carrier. Specifically, if ~~the SBC/Ameritech out-of-territory entity described in Paragraph 59~~ such a Bell Atlantic/GTE affiliate makes a specific request for and obtains any interconnection arrangement or UNE, ~~UNE, or provisions of an interconnection agreement subject to 47 U.S.C. § 251(c)~~ UNE, or provisions of an interconnection agreement subject to 47 U.S.C. § 251(c) from an incumbent LEC that had not previously been made available to any other telecommunications carrier by that incumbent LEC; ~~then SBC/Ameritech's after the Merger Closing Date, then Bell Atlantic/GTE's incumbent LECs~~ shall make available to requesting telecommunications carriers in the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area, through good-faith negotiation, the same interconnection arrangement or UNE on the same terms (exclusive of price ~~); SBC/Ameritech and applicable state-specific performance measures~~). Bell Atlantic/GTE shall not be obligated to provide pursuant to this condition any interconnection arrangement or UNE unless it is feasible to provide given the technical, network and OSS attributes and limitations in, and is consistent with the laws and regulatory requirements of, the state for which the request is made and with applicable collective bargaining agreements. Disputes regarding the availability of an interconnection arrangement or UNE shall be resolved pursuant to negotiation between the parties or by the relevant state commission under 47 U.S.C. § 252 to the extent applicable. The price(s) for such interconnection arrangement or UNE shall be negotiated on a state-specific basis and, if such negotiations do not result in agreement, ~~SBC/Ameritech's Bell Atlantic/GTE's incumbent LEC or the requesting telecommunications carrier~~ shall submit the pricing dispute(s), exclusive of the related terms and conditions required to be provided under this Paragraph, to the applicable state commission for resolution under 47 U.S.C. § 252 to the extent applicable. To assist telecommunications carriers in exercising the options made available by this Paragraph, ~~SBC/Ameritech or the each Bell Atlantic/GTE out-of-region entit(ies) described in Paragraph 59~~ local exchange affiliate shall post on its Internet website all of its interconnection agreements ~~between the SBC/Ameritech out-of-territory entity and an entered into with~~ unaffiliated incumbent ~~LEC LECs~~.

#### 43 31. In-Region Post-Merger Agreements.

a. Subject to the ~~conditions~~ Conditions specified in this Paragraph, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall make available to any requesting telecommunications carrier in the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area within any ~~SBC/Ameritech~~ Bell Atlantic/GTE State any interconnection arrangement or UNE ~~in the SBC/Ameritech, UNE, or provisions of an interconnection agreement subject to 47 U.S.C. § 251(c) in the Bell Atlantic/GTE Service Area within any other SBC/Ameritech Bell Atlantic/GTE State that (1) was voluntarily negotiated with a telecommunications carrier, pursuant to 47 U.S.C. § 252(a)(1), by an SBC/Ameritech incumbent LEC that at all times during the interconnection agreement negotiations was an affiliate of SBC~~ a Bell Atlantic/GTE incumbent LEC after the Merger Closing Date and (2) has been made available under an agreement to which ~~SBC/Ameritech~~ Bell Atlantic/GTE is a party after the Merger Closing Date. Terms, conditions, and prices contained in tariffs cited in ~~SBC/Ameritech's Bell Atlantic/GTE's~~ interconnection agreements shall not be considered negotiated provisions. Exclusive of price and applicable state-specific performance measures and subject to the ~~conditions~~ Conditions specified in this Paragraph, qualifying interconnection arrangements or UNEs shall be made available to the same extent and under the

same rules that would apply to a request under 47 U.S.C. § 252(i), provided that (1) the interconnection arrangements or UNEs shall not be available beyond the last date that they are available in the underlying agreement and that the requesting telecommunications carrier accepts all reasonably related terms and conditions as determined in part by the nature of the corresponding compromises between the parties to the underlying interconnection agreement and (2) interconnection arrangements or UNEs voluntarily negotiated or agreed to by a Bell Atlantic or GTE incumbent LEC prior to the Merger Closing Date cannot be extended throughout the Bell Atlantic/GTE Service Areas unless voluntarily agreed to by Bell Atlantic/GTE. The price(s) for such interconnection arrangement or UNE shall be established on a state-specific basis pursuant to 47 U.S.C. § 252 to the extent applicable. Provided, however, that pending the resolution of any negotiations, arbitrations, or cost proceedings regarding state-specific pricing, SBC/Ameritech where a specific price or prices for the interconnection arrangement or UNE is not available in that state, Bell Atlantic/GTE shall offer to enter into an agreement with the requesting telecommunications carrier whereby the requesting telecommunications carrier will pay, on an interim basis and subject to true-up, the same prices established for the interconnection arrangement or UNE in the negotiated agreement. This Paragraph shall not impose any obligation on SBC/Ameritech Bell Atlantic/GTE to make available to a requesting telecommunications carrier any terms for interconnection arrangements or UNEs that incorporate a determination reached in an arbitration conducted in the relevant state under 47 U.S.C. § 252, or the results of negotiations with a state commission or telecommunications carrier outside of the negotiation procedures of 47 U.S.C. § 252(a)(1). ~~For example, terms made available in Texas through SWBT's Proposed Interconnection Agreement ("PIA") (filed with the Texas PUC on May 13, 1999) would not be available under this Paragraph.~~ SBC/Ameritech Bell Atlantic/GTE shall not be obligated to provide pursuant to this Paragraph any interconnection arrangement or UNE unless it is feasible to provide given the technical, network and OSS attributes and limitations in, and is consistent with the laws and regulatory requirements of, the state for which the request is made and with applicable collective bargaining agreements. Disputes regarding the availability of an interconnection arrangement or UNE shall be resolved pursuant to negotiation between the parties or by the relevant state commission under 47 U.S.C. § 252 to the extent applicable.

XIII. b. In the event that any requesting telecommunications carrier seeks to adopt any interconnection arrangement, UNE, or interconnection agreement provisions that are subject to 47 U.S.C. § 251(c) in the Bell Atlantic/GTE Service Area within any Bell Atlantic/GTE State in the Bell Atlantic/GTE Service Area within any other Bell Atlantic/GTE State that (1) is covered by subparagraph a above, and (2) was the result of an arbitration conducted and decided in the former state under 47 U.S.C. § 252 after the Merger Closing Date, then either party may submit the arbitrated provisions to immediate arbitration in the latter state with the consent of the affected state (without waiting for the statutory negotiation period set out in 47 U.S.C. § 252 to expire).<sup>22</sup>

<sup>22</sup> Bell Atlantic/GTE will act in good faith in determining whether to agree voluntarily to such arbitrated provisions in the latter state(s) and in determining whether to submit such arbitrated provisions to immediate arbitration in the latter state(s).

32. In-Region Pre-Merger Agreements. Subject to the Conditions specified in this Paragraph, Bell Atlantic/GTE shall make available: (1) in the Bell Atlantic Service Area to any requesting telecommunications carrier any interconnection arrangement, UNE, or provisions of an interconnection agreement subject to 47 U.S.C. § 251(c) that was voluntarily negotiated by a Bell Atlantic incumbent LEC with a telecommunications carrier, pursuant to 47 U.S.C. § 252(a)(1), prior to the Merger Closing Date and (2) in the GTE Service Area to any requesting telecommunications carrier any interconnection arrangement, UNE, or provisions of an interconnection agreement subject to 47 U.S.C. § 251(c) that was voluntarily negotiated by a GTE incumbent LEC with a telecommunications carrier, pursuant to 47 U.S.C. § 252(a)(1), prior to the Merger Closing Date, provided that no interconnection arrangement or UNE from an agreement negotiated prior the Merger Closing Date in the Bell Atlantic Area can be extended into the GTE Service Area and vice versa. Terms, conditions, and prices contained in tariffs cited in Bell Atlantic/GTE's interconnection agreements shall not be considered negotiated provisions. Exclusive of price and applicable state-specific performance measures and subject to the Conditions specified in this Paragraph, qualifying interconnection arrangements or UNEs shall be made available to the same extent and under the same rules that would apply to a request under 47 U.S.C. § 252(i), provided that the interconnection arrangements or UNEs shall not be available beyond the last date that they are available in the underlying agreement and that the requesting telecommunications carrier accepts all reasonably related terms and conditions as determined in part by the nature of the corresponding compromises between the parties to the underlying interconnection agreement. The price(s) for such interconnection arrangement or UNE shall be established on a state-specific basis pursuant to 47 U.S.C. § 252 to the extent applicable. Provided, however, that pending the resolution of any negotiations, arbitrations, or cost proceedings regarding state-specific pricing, where a specific price or prices for the interconnection arrangement or UNE is not available in that state, Bell Atlantic/GTE shall offer to enter into an agreement with the requesting telecommunications carrier whereby the requesting telecommunications carrier will pay, on an interim basis and subject to true-up, the same prices established for the interconnection arrangement or UNE in the negotiated agreement. This Paragraph shall not impose any obligation on Bell Atlantic/GTE to make available to a requesting telecommunications carrier any terms for interconnection arrangements or UNEs that incorporate a determination reached in an arbitration conducted in the relevant state under 47 U.S.C. § 252, or the results of negotiations with a state commission or telecommunications carrier outside of the negotiation procedures of 47 U.S.C. § 252(a)(1). Bell Atlantic/GTE shall not be obligated to provide pursuant to this Paragraph any interconnection arrangement or UNE unless it is feasible to provide given the technical, network and OSS attributes and limitations in, and is consistent with the laws and regulatory requirements of, the state for which the request is made and with applicable collective bargaining agreements. Disputes regarding the availability of an interconnection arrangement or UNE shall be resolved pursuant to negotiation between the parties or by the relevant state commission under 47 U.S.C. § 252 to the extent applicable.

#### X. Multi-State Interconnection and Resale Agreements

44 33. Upon the request of a telecommunications carrier, SBC/Ameritech Bell Atlantic/GTE shall negotiate in good faith an interconnection and/or resale agreement covering the provision of interconnection arrangements, services, and/or UNEs in the SBC/Ameritech



subject to 47 U.S.C. § 251(c) in the Bell Atlantic/GTE Service Area in two or more SBC/Ameritech Bell Atlantic/GTE States. Such a multi-state generic agreement may include a separate contract with each SBC/Ameritech Bell Atlantic/GTE incumbent LEC. No later than 60 days after the Merger Closing Date, SBC/Ameritech Bell Atlantic/GTE shall make available to any requesting telecommunications carrier generic interconnection and resale terms and conditions covering the SBC/Ameritech Bell Atlantic/GTE Service Area in all SBC/Ameritech Bell Atlantic/GTE States. Pricing under a multi-state generic agreement shall be established on a state-by-state basis and SBC/Ameritech Bell Atlantic/GTE shall not be under any obligation to enter into any arrangement for a state that is not technically feasible and lawful in that state or is inconsistent with provisions in applicable collective bargaining agreements. Any agreement negotiated under this Section shall be subject to the state-specific mediation, arbitration, and approval procedures of Section 252 of the Communications Act. Approval of the agreement in one state shall not be a precondition for implementation of the agreement in another state where approval has been obtained.

#### **XIV XI. Carrier-to-Carrier Promotions: Unbundled Loop Discount**

~~45. SBC/Ameritech~~ 34. Bell Atlantic/GTE shall offer the unbundled loop carrier-to-carrier promotion described below in the SBC/Ameritech Bell Atlantic/GTE Service Area. SBC/Ameritech Bell Atlantic/GTE shall implement this promotion by providing each telecommunications carrier with which SBC/Ameritech Bell Atlantic/GTE has an interconnection agreement in ~~an SBC/Ameritech~~ a Bell Atlantic/GTE State, no later than ~~40~~ 30 days after the Merger Closing Date, a written offer to amend each telecommunications carrier's interconnection agreement in that state to incorporate the promotion. For purposes of this Section, an offer published on SBC/Ameritech's Bell Atlantic/GTE's Internet website that can be accessed by telecommunications carriers shall be considered a written offer. SBC/Ameritech Bell Atlantic/GTE shall establish necessary internal processes and procedures to ensure that SBC/Ameritech's Bell Atlantic/GTE's wholesale business units are responsive to telecommunications carriers' requests for the promotion. SBC/Ameritech Bell Atlantic/GTE shall make its written offer in each state at the same time to all telecommunications carriers with which it has existing interconnection and/or resale agreements in that state. The agreement amendments for all carriers in a state that accept SBC/Ameritech's Bell Atlantic/GTE's written offer within 10 business days after the initial offer shall be filed ~~at the same time~~ for review and approval by the relevant state commission.

~~46~~ 35. For an Offering Window period in the SBC/Ameritech Bell Atlantic/GTE Service Area, SBC/Ameritech Bell Atlantic/GTE shall offer, to those telecommunications carriers that have signed an effective interconnection agreement amendment, promotional discounted prices on monthly recurring charges for unbundled local loops used in the provision of local service to residential end user customers that are ordered after the Merger Closing Date. SBC/Ameritech Bell Atlantic/GTE may provide promotional discounts through credits, true-ups, or other billing mechanisms, provided, however, that such credits, true-ups or other mechanisms are applied within 60 days of the initial billing for the service.

a. The Offering Window period for the unbundled loop promotion for each ~~SBC Bell Atlantic~~ and ~~Ameritech~~ GTE State shall begin 30 days after the Merger Closing Date and end at the ~~latest~~ earliest of the following: (i) 24 months after commencement of the Offering Window period; (ii) for the Bell Atlantic States on a state-by-state basis, the first date on which SBC/Ameritech Bell Atlantic/GTE is authorized to provide in-region, interLATA services in the relevant state; or (iii) the first date on which SBC/Ameritech provides facilities-based telephone exchange service to at least one customer in each of 15 out-of-territory markets pursuant to Paragraph 59(iii) for the GTE States on a state-by-state basis, the date on which competing carriers, in aggregate, offer service over their own facilities to at least 15 percent of incumbent LEC customer locations in the GTE Service Areas in that State, or (iv) the date on which Bell Atlantic/GTE has completed 50 percent of the out-of-region commitment described in Paragraphs 43 or 48 of these Conditions. The Offering Window period may end earlier in a state than provided in the preceding sentence if and when the maximum number of unbundled loops has been reached in that state pursuant to Subparagraph g of this Paragraph. During the Offering Window, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall respond to all telecommunications carrier inquiries regarding the promotional discounted prices within 10 business days.

b. ~~SBC/Ameritech~~ Bell Atlantic/GTE shall be under no obligation to provide an unbundled local loop at a promotional discounted price unless the loop is ordered during the Offering Window with a requested installation date of no later than 30 days after the close of the Offering Window. Unbundled loops ordered or in service prior to the start of the Offering Window, or ordered after the end of the Offering Window, shall not be eligible for a promotional discounted price.

c. ~~SBC/Ameritech~~ Bell Atlantic/GTE shall be under no obligation to provide an unbundled local loop at a promotional discounted price ordered before the Merger Closing Date or outside the Promotional Period. The ~~discounted prices~~ discounts shown in Attachment C ~~D (which contains illustrative rates)~~ shall be the ~~prices~~ discounts applicable throughout the duration of the unbundled loop carrier-to-carrier promotion. For the purposes of this Section, the Promotional Period shall be a period of 36 months from the date a qualifying unbundled local loop is installed and operational, or the period during which the loop remains in service at the same location and for the same telecommunications carrier, whichever is shorter.

d. The promotional ~~discounted prices~~ discounts for unbundled analog local loops used in the provision of residential telephone exchange service ~~and the promotional discount levels~~ are shown in Attachment C: D. These promotional ~~discounted prices~~ discounts were calculated to be, on average ~~for each state except Ohio~~, 25 percent below the lowest applicable monthly recurring price established for the same loop by the relevant state commission pursuant to 47 U.S.C. § 252 ~~as of August 27, 1999~~, assuming that the number of unbundled loops to be provided in each geographic area will be proportionate to the number of residential access lines in that geographic area. ~~For Ohio, the promotional discounted prices were established at the same levels as approved by the Public Utilities Commission of Ohio in its order approving the merger~~ The promotional discount shall supplement, but not be cumulative of, any market-opening discounts approved by state commissions (e.g. a state-specific discount of 16.5% would increase to a total of 25% due to this condition, not to 41.5%).

e. Telecommunications carriers requesting unbundled local loops at a promotional discounted price shall agree to abide by the following conditions: (i) the loop shall be used to provide residential telephone exchange service and any associated exchange access service and shall not be used to provide any Advanced Services as defined in Section I; (ii) the loop shall not be purchased or used as part of a UNE Platform or in any other combination with ~~SBC/Ameritech's~~ Bell Atlantic/GTE's local switching or the functions and features associated with that switching; and (iii) the loop shall be used in accordance with any other binding conditions imposed under applicable agreements, judicial or administrative decisions, or governing law. Telecommunications carriers that obtain unbundled local loops at the promotional discounted prices shall, on a quarterly basis, certify to ~~SBC/Ameritech~~ Bell Atlantic/GTE and the appropriate state commission that they are using all unbundled local loops provided at a promotional discounted price in accordance with these Conditions.

~~SBC/Ameritech~~ Bell Atlantic/GTE shall have the right to hire, at its own expense, an independent third-party auditor to perform all necessary audits and inspections needed to assure that unbundled local loops provided at a promotional discounted price are used in accordance with conditions (i) and (ii), above.<sup>23</sup> Telecommunications carriers that obtain unbundled local loops at a promotional discounted price shall agree to cooperate in the performance of such audits and inspections. Audit information will be restricted to ~~SBC/Ameritech~~ Bell Atlantic/GTE regulatory, legal, and/or wholesale personnel, and ~~SBC/Ameritech~~ Bell Atlantic/GTE will prohibit those personnel from disclosing audit-related, customer-specific or company-specific proprietary information to ~~SBC/Ameritech~~ Bell Atlantic/GTE retail personnel.

f. Any telecommunications carrier found by the appropriate state commission to have violated the use conditions of Subparagraph e or that fails to cooperate in an audit may be denied the promotional discounted price on any unbundled local loop for which the use conditions or the audit provisions are violated. In addition, any such telecommunications carrier that intentionally and repeatedly violates the use conditions of Subparagraph e may be denied the promotional discounted price on unbundled local loops ordered or installed after the date of such a finding by a state commission.

g. The maximum number of unbundled local loops that ~~SBC/Ameritech~~ Bell Atlantic/GTE shall be required to provide at a promotional discounted price in each state shall be ~~Illinois 181,000; Indiana 63,000; Michigan 152,000; Ohio 120,000; Wisconsin 64,000; California 479,000; Nevada 10,000; Connecticut 68,000; Arkansas 30,000; Kansas 41,000; Missouri 76,000; Oklahoma 51,000; Texas 275,000~~ the quantity by state set forth in Attachment E. In order to provide CLECs with advance planning information, ~~SBC/Ameritech~~ Bell Atlantic/GTE shall provide written or Internet notice to CLECs operating in the relevant state when 50 percent and 80 percent of these maximum numbers are reached in each ~~SBC/Ameritech~~ Bell Atlantic/GTE State. Unbundled local loops installed and made operational at the promotional discounted price after the Merger Closing Date shall be counted toward the maximum number, whether or not they remain in service. The relevant state commission may

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<sup>23</sup> The scope of any such audit or inspection is limited to determining whether the promotional discount is being provided in accordance with this condition.

allocate the maximum number of unbundled local loops eligible for a promotional discounted price in that state between two or more geographic areas within the state.

**XV XII. Carrier-to-Carrier Promotions: Resale Discount**

47. ~~SBC/Ameritech~~ 36. Bell Atlantic/GTE shall offer the resale carrier-to-carrier promotion described below in the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area. ~~SBC/Ameritech~~ Bell Atlantic/GTE shall implement this promotion by providing each telecommunications carrier with which ~~SBC/Ameritech~~ Bell Atlantic/GTE has an interconnection agreement in ~~an SBC/Ameritech~~ a Bell Atlantic/GTE State, no later than ~~40~~ 30 days after the Merger Closing Date, a written offer to amend each telecommunications carrier's interconnection agreement in that state to incorporate the resale promotion. For purposes of this Section, an offer published on ~~SBC/Ameritech's~~ Bell Atlantic/GTE's Internet website that can be accessed by telecommunications carriers shall be considered a written offer. ~~SBC/Ameritech~~ Bell Atlantic/GTE shall establish necessary internal processes and procedures to ensure that ~~SBC/Ameritech's~~ Bell Atlantic/GTE's wholesale business units are responsive to telecommunications carriers' requests for the resale promotion. ~~SBC/Ameritech~~ Bell Atlantic/GTE shall make its written offer in each state at the same time to all telecommunications carriers with which it has existing interconnection and/or resale agreements in that state. The agreement amendments for all carriers in a state that accept ~~SBC/Ameritech's~~ Bell Atlantic/GTE's written offer within 10 business days after the initial offer shall be filed ~~at the same time~~ for review and approval by the relevant state commission.

48 37. For the Offering Window period defined in Paragraph ~~49~~, ~~SBC/Ameritech~~ 35, Bell Atlantic/GTE shall offer in the ~~SBC/Ameritech~~ Bell Atlantic/GTE Service Area to those telecommunications carriers that have signed an effective interconnection agreement amendment, promotional resale discounts on telecommunications services that ~~SBC/Ameritech~~ Bell Atlantic/GTE provides at retail to subscribers who are not telecommunications carriers, where such services are resold to residential end user customers. The Offering Window period may end earlier in a state than provided in the preceding sentence if and when the maximum number of promotional resold lines plus ~~promotional end-to-end UNE combinations~~ End-to-End UNE combinations (a combination of network elements used to provide residential POTS service or residential Basic Rate Interface ISDN service and available under 47 C.F.R. § 51.319) has been reached in that state pursuant to Paragraph ~~49~~ 35. For purposes of this Paragraph, the term "telecommunications service" shall have the same meaning as in 47 U.S.C § 251(c)(4). ~~SBC/Ameritech~~ Bell Atlantic/GTE may provide promotional discounts through credits, true-ups, or other billing mechanisms, provided, however, that such credits, true-ups or other mechanisms are applied within 60 days of the initial billing for the service.

a. ~~SBC/Ameritech~~ Bell Atlantic/GTE shall be under no obligation to provide a service for resale at a promotional resale discount unless the underlying resold line is ordered after the Merger Closing Date and during the Offering Window with a requested installation date of no later than 30 days after the close of the Offering Window for the particular state. Resold services (such as Call Waiting) provided over a resold customer line that was ordered or in service prior to the Offering Window, or placed in service more than 30 days after the end of the

Offering Window, shall not be eligible for a promotional resale discount. Resold services (such as Call Waiting) added to a resold line that qualifies for the promotional resale discounts shall be eligible for the promotional resale discounts for the duration of the Promotional Period regardless of whether such resold services were added after the end of the Offering Window.

b. ~~SBC/Ameritech~~ Bell Atlantic/GTE shall be under no obligation to provide a service for resale at a promotional resale discount outside the Promotional Period. For the purposes of this Subparagraph, the Promotional Period shall be a period of 36 months from the date a qualifying resold service is installed and operational, or the period during which the resold service remains in service at the same location and for the same telecommunications carrier, whichever is shorter.

c. The promotional resale discount rate for services resold to residential customers shall be 32 percent from the retail rate until the ~~latest~~ earliest of: (i) 24 months after commencement of the Offering Window period; (ii) for the Bell Atlantic Service Areas on a state-by-state basis, the first date on which SBC/Ameritech Bell Atlantic/GTE is authorized to provide in-region, interLATA services in the relevant state; or (iii) the first date on which SBC/Ameritech provides facilities-based telephone exchange service to at least 3 customers in each of 15 out of territory markets pursuant to Paragraph 59c(2)(iii) for the GTE States on a state-by-state basis, the date on which competing carriers, in aggregate, offer service over their own facilities to at least 15 percent of incumbent LEC customer locations in the GTE Service Areas in that State, or (iv) the date on which Bell Atlantic/GTE has completed 50 percent of the out-of-region commitment described in Paragraphs 43 or 48 of these Conditions. Thereafter, for the remaining duration of any Promotional Period, the promotional resale discount rate for service resold to residential customers shall be 1.1 times the standard wholesale discount rate established for the service by the relevant state commission pursuant to 47 U.S.C. § 252(d)(3) and then in effect (e.g., if the standard wholesale discount rate in a state is 20 percent, then the promotional resale discount rate would be 22 percent). Upon the termination of the initial 32 percent promotional resale discount rate, this discount rate shall apply automatically to all services eligible for a promotional resale discount, including those services that initially were provided under the 32 percent promotional resale discount. The promotional resale discounts shall apply to all resold services provided over a qualifying resold line; i.e., on a single resold line telecommunications carriers may not “pick and choose” between the promotional resale discounts and the standard resale discounts that apply in a state.

~~49~~ 38. The Offering Window for the Promotional Resale Discounts in each state shall begin 30 days after the Merger Closing Date and end for that state at the earlier of the following: (i) 36 months after commencement of the Offering Window period; or (ii) the month following the date when the sum of resold lines in service in a state at the Promotional Resale Discounts plus the quantity of ~~Promotional~~ End-to-End UNE Combinations (a combination of network elements used to provide residential POTS service or residential Basic Rate Interface ISDN service and available under 47 C.F.R. § 51.319) in service in the state reaches the maximum allowable quantity by state set forth ~~below for each state:~~ Illinois—302,000; Indiana—104,000; Michigan—252,000; Ohio—200,000; Wisconsin—102,000; California—799,000; Nevada—17,000; Connecticut—114,000; Arkansas—49,000; Kansas—68,000; Missouri—127,000;